

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

COMMITTEE ON APPROPRIATIONS

Call to Order: By **CHAIRMAN ROSALIE (ROSIE) BUZZAS**, on February 10, 2005 at 3:30 P.M., in Room 102 Capitol.

ROLL CALL

Members Present:

Rep. Rosalie (Rosie) Buzzas, Chairman (D)
Rep. Carol C. Juneau, Vice Chairman (D)
Rep. John E. Witt, Vice Chairman (R)
Rep. Tim Callahan (D)
Rep. Eve Franklin (D)
Rep. Ray Hawk (R)
Rep. Cynthia Hiner (D)
Rep. Verdell Jackson (R)
Rep. Joey Jayne (D)
Rep. Christine Kaufmann (D)
Rep. Penny Morgan (R)
Rep. John L. Musgrove (D)
Rep. Rick Ripley (R)
Rep. Jon C. Sesso (D)
Rep. John Sinrud (R)
Rep. Janna Taylor (R)
Rep. Jack Wells (R)

Members Excused: None.

Members Absent: Rep. Bill E. Glaser (R)
Rep. Ralph L. Lenhart (D)
Rep. Walter McNutt (R)

Staff Present: Jon Moe, Legislative Branch
Marcy McLean, Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 336, 2/7/2005
Executive Action: HB 270

HEARING ON HB 336**Opening Statement by Sponsor:**

REP. MICHAEL LANGE, HD 55, Billings, opened the hearing on **HB 336**, a bill to revise developmental disability services. He said that he brings forth this bill at the request of one of his constituents. The man's 19-year-old daughter, who has Downs syndrome, had recently graduated from high school and he was now having trouble finding care for her. He asked the Department of Health and Human Services (DPHHS) for care and job training help for his daughter; and they said they could not help him because programs were full and there was no money.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 2.1; Comments: Rep. Glaser entered hearing}

When he asked them how they could deny help to his daughter when they help others, they recommended that he either send her back to school for another year or make her a ward of the State. If she was a ward of the State, then it would be their responsibility to take care of her. The father was quite upset with this suggestion and approached REP. LANGE about drafting legislation to deal with these young adults in need of care.

When HB 336 was first drafted, House Education worked with DPHHS and the Office of Public Instruction (OPI) to determine a specific appropriation of \$143,560 in each of FYs 2006 and 2007. The payments could be to a school district that admits a student or provide payments directly to an individual to purchase community-based services. HB 336 also states that all or a portion of money appropriated to the DPHHS may be used as a State match for federal funds. Section 2 of the bill says an individual who is eligible for services may also receive Medicaid services. REP. LANGE said that he thought the most important aspect of the HB 336 is that it allows for financial assistance as one of the services provided to developmentally disabled individuals. Nowhere in Montana statute does it say that DPHHS can deny services to anyone. Therefore, the State could possibly be sued for denial of services. The ability to provide financial assistance would assure that the department has a tool for providing some help to the 300-700 people who are on the waiting list for services. He said that he did not know the amount needed to be appropriated to cover this financial assistance, but 300 people at \$300 per month for two years would equal \$2.16 million (not including federal matching dollars). However, that number is subjective because one wouldn't know how many people would apply for financial assistance.

Proponents' Testimony: None

Opponents' Testimony: None

Informational Testimony:

Matt Bugni, Disability Services Division, DPHHS, and Bob Runkel, Office of Public Instruction (OPI) said they would be available for questions.

Questions from Committee Members and Responses:

REP. FRANKLIN asked how many people on the developmentally disabled people are on the waiting list, how many are adults and how many are kids. **Matt Bugni** said there 450 people, but did not know the breakdown of the age groups. For the most part, they are people who are leaving high school at about age 18.

REP. KAUFMANN said that almost all of the 450 are adults. The children services are entitlement programs. There is a problem for people who are used to receiving services while in school, but afterwards end up on the adult waiting list. She asked how they came up with the appropriation amount of \$143,000. **REP.**

LANGE said they made the assumption that there were 40 individuals who graduated from high school in 2004 who were less than 19 years old and met the DPHHS standards of developmentally disabled (DD). Ten of those 40 would be re-admitted to high school following graduation. The \$143,000 appropriation is for each of FYs 2006 and 2007.

REP. FRANKLIN asked if only one person could access the \$143,000, since it seems like such a small amount for an adult who needs to purchase services. **REP. LANGE** said, "No," the appropriation, along with federal matching funds, would be for an estimated 10 people.

REP. KAUFMANN said it appeared that this bill is only looking at a tiny slice of a very large problem. She asked if there was concern for people who are 19 years old and are on the waiting list for services. **REP. LANGE** answered that the financial assistance that is in the list of services provided is available to help anyone who is eligible.

{Tape: 1; Side: A; Approx. Time Counter: 2.1 - 19.6; Comments: Rep. McNutt entered hearing}

REP. KAUFMANN asked if there is concern for how the recipients will spend this financial assistance. **REP. LANGE** said the DPHHS has guidelines on what is acceptable.

REP. JUNEAU asked if this need for services for students approaching graduation could be included in their Individual Education Plan (IEP), stating that they should remain in school for another year. **Bob Runkel** said that it depends upon the education needs of the child. If the parents and the school think the child has completed their educational requirement and fulfilled the IEP objectives, then the school can graduate the child. Technically, they could leave the child in school for another year if the parent requests and if the child is 18 or younger.

REP. FRANKLIN asked what the guideline is for DD people receiving educational services up to the age of 21. **Bob Runkel** said that is a difficult question. Federal laws states that DD children "will be eligible for special education services through the age of 21, unless the state adopts a law that says specifically otherwise." Montana and California are the two states that stop that service at age 19.

REP. MORGAN said that if a child stayed in school up to age 19, the costs to the school would be greater than the Average Number Belonging (ANB) entitlement money. She asked if it would be more cost effective to place the child in community services. **REP. LANGE** said, "Yes." Usually the school has taken the child in as a response to the need that DPHHS could not provide.

REP. CALLAHAN said that there is a severe lack of transition planning and services when youth move from a juvenile to an adult system. Parents often assume they will have a similar level of service for their child, but instead of an entitlement, they go onto a waiting list for services.

REP. JACKSON asked if the IEP could include vocational training rather than going back into high school for one more year. **Bob Runkel** said federal regulations require a transition plan at age 16 and it can include outside agencies partnering with the high school. The IEP has a great deal of discretion, including vocational education. If it does not, then it may be because of lack of resources.

REP. JACKSON asked how HB 336 will help transition the student to adult services. **REP. LANGE** said that in the case of the father who asked him to bring forth this bill, he went to numerous social services to ask them for help, but to no avail. He said he knew what his daughter's needs were, and he only wanted what was best for her. He said that a little bit of financial assistance would help him get her into a program to provide some vocational training. The intent of this bill is to help those DD

people between the ages of 18 and 21 who are experiencing a gap in services.

{Tape: 1; Side: A; Approx. Time Counter: 19.6 - 32.6; Comments: End Side A}

Closing by Sponsor:

REP. LANGE said it is a difficult decision to decide what is the balance between money and care. The intent of HB 336 is to help families who are in a bind. Making these kids a ward of the State would be very, very expensive compared to giving them some financial assistance.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 4.1}

EXECUTIVE ACTION ON HB 270

Motion: **REP. FRANKLIN** moved HB 270 DO PASS.

Discussion:

REP. KAUFMAN passed out amendments HB0207001.apm and HB020702.ajm.

EXHIBIT(aph33a01)

EXHIBIT(aph33a02)

She said that she does not believe that it is the government's job to help businesses train their employees. Because she has philosophical problems with these economic development programs, she said that she is asking the Committee to amend the bill so that rather than requiring that they provide a "good wage", the wage should be 115% of the current average wage of the county. She said that if the State is going to invest in this training, then they should get higher earning jobs in return.

Motion: **REP. KAUFMANN** moved to amend HB 270 (HB027002.ajm).

Discussion:

REP. JAYNE said this amendment does not make sense to her because she said that the State should want businesses to train people for low-earning wages. **REP. KAUFMANN** said that if the State is paying for the training, then they should want wages to be higher for these low-paid employees.

REP. JACKSON said he has experience with doing on-the-job training for the hard-core unemployed and their goal is to get any job. Employers donate a lot of time and effort for this

training. His concern was that the amendment could be counterproductive to finding employers willing to provide the training. **REP. KAUFMANN** said there are lots of job-training programs that the State provides.

REP. FRANKLIN said she sees this as a philosophical difference. Whereas **REP. JACKSON** feels that there is value in jobs of any kind being created, **REP. KAUFMANN** wants the kinds of jobs to be elevated.

REP. KAUFMANN said the sponsor of the bill, **REP. LINDEEN**, agrees with her philosophically, but that she thought the business community would not like this amendment.

{Tape: 1; Side: B; Approx. Time Counter: 4.1 - 17.3}

REP. SINRUD said the 115% requirement would add to a \$10-per-hour job an additional \$2,300 per year, plus additional taxes and insurance. He said that he was concerned that the amendment would make the job non-competitive because it is above the market value.

Vote: Motion failed 5-15 by roll call vote with **REP. BUZZAS**, **REP. JUNEAU**, **REP. KAUFMANN**, **REP. LENHART**, and **REP. MORGAN** voting aye. **REPS. BUZZAS** and **LENHART** voted by proxy.

Motion: **REP. KAUFMANN** moved HB 270 BE AMENDED (HB27001.apm).

Discussion:

REP. KAUFMANN said that HB 270 made the program permanent, where the initial bill had been sunsetted. She said that this amendment would again sunset the bill; she wants to assure that it does not go into the base and become an ongoing program without review. Initially she had suggested a sunset year of 2007, but has since decided that was too short and, therefore, changes the sunset to 2009.

{Tape: 1; Side: B; Approx. Time Counter: 17.3 - 25.4; Comments: Rep. Lenhart entered hearing}

VICE-CHAIR JUNEAU asked if they should change "2007" to "2009" throughout the amendment, and **Jon Moe, LFD**, answered, "Yes."

REP. SESSO said that at the original hearing they had discussed changing the wording on Pages 6-7, regarding reimbursement of the loan if the business ceases operations "in the State of Montana."

Vote: Motion passed 17-3 by roll call vote with REP. CALLAHAN, REP. FRANKLIN, AND REP. JAYNE voting no. REPS. BUZZAS and RIPLEY voted by proxy.

REP. MORGAN submitted as a conceptual amendment that on Page 7, Line 1 after the word "operation," they insert "in the State of Montana." She said that the reason for this amendment is because these companies will have different operations in different states. If the State is to pay for this training, then they do not want them to cease doing business in Montana.

Motion/Vote: REP. MORGAN moved that CONCEPTUAL AMENDMENT DO PASS. Motion carried 19-1 by voice vote with REP. CALLAHAN voting no.

REP. SINRUD said that he had talked with REP. LINDEEN and David Gibson and others who have been involved in this program. He said that he thinks HB 270 lacks oversight, because it lacks bankers who have the experience of dealing with money. His concern is that the oversight committee might be comprised of political appointees and, therefore, would submit two conceptual amendments. He said that he wanted people on the Committee who have the technical expertise to financially evaluate a business. He said that on Page 3, grant review committee appointments, he would like to reinstate "one appointed by the President of the Senate and one appointed by the Speaker of the House." He also said that on Line 17 he would like to strike "representing economic development" and add "two representatives from the private sector who represent commercial banking interests."

{Tape: 1; Side: B; Approx. Time Counter: 25.4 - 32.6; Comments: End of Tape 1}

REP. MUSGROVE suggested that they vote on these two conceptual amendments separately.

REP. CALLAHAN asked REP. SINRUD if he talked to REP. LINDEEN and David Gibson specifically about his intentions to amend HB 270 and if they concurred. REP. SINRUD said, "Yes." He said that REP. LINDEEN agreed with his two conceptual amendments and David Gibson specifically expressed concern over the lack of oversight.

REP. WELLS said specifically in regard to the conceptual amendments, he would offer a substitute amendment: On Line 15, remove "appointed by Governor" and reinstate "appointed by Governor" on Lines 17, 21, 23, and 24.

REP. SESSO said that he would offer the substitute amendment to make the commercial banking appointees be the appointments by the President of the Senate and the Speaker of the House.

REP. SINRUD said that he would withdraw his motion for the two conceptual amendments.

(NOTE: Committee adjourned before voting on motion to DO PASS HB 270)

ADJOURNMENT

Adjournment: 4:50 P.M.

REP. ROSALIE (ROSIE) BUZZAS, Chairman

MARCY MCLEAN, Secretary

RB/mm

Additional Exhibits:

EXHIBIT ([aph33aad0.TIF](#))